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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/701,180	RALEY ET AL.	
	Examiner	Art Unit	
	GREGORY A. DISTEFANO	2176	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on 05 August 2008.
 2a) This action is **FINAL**. 2b) This action is non-final.
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 1-78 is/are pending in the application.
 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
 5) Claim(s) _____ is/are allowed.
 6) Claim(s) 1-78 is/are rejected.
 7) Claim(s) _____ is/are objected to.
 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
 10) The drawing(s) filed on 05 November 2003 is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ . |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>10/16/2008, 7/3/2008, 2/19/2008</u> . | 6) <input type="checkbox"/> Other: _____ . |

DETAILED ACTION

1. This action is in response to the amendment filed on 8/5/2008.
2. Claims 1-78 are currently pending.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. Claims 26-28 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claims 26-28 are directed to a "system for distributing content", which may be interpreted to be purely computer software where the "means for" limitations are directed to steps or components of that software. Computer software fails to meet the 35 USC 101 requirement that the invention be a "process, machine, manufacture, or composition of matter".

5. Claims 54-60 and 62-78 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claims 54-60 and 62-78 are directed to "a content consumption device", which may be interpreted to be computer software where the recited "components" may be software components. Computer software fails to meet the 35 USC 101 requirement that the invention be a "process, machine, manufacture, or composition of matter".

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 1, 2, 4-7, 9, 10, 13, 16, 26, 29, 30, 32-35, 37, 38, 41, 44, 54, 55, 57-60, 62, 63, 66, 67 and 69 are rejected under 35 U.S.C. 103(a) as being unpatentable over Nishio (GB 2,302,635 A) in view of Pinera et al. (US 7,231,650), hereinafter Pinera.

8. As per claims 1, 26, 29 and 54 Nishio teaches the following:

detecting an action performed on the content consumption device during rendering of the preferred content that makes available a channel of the device by performance of the action, (abstract), i.e. a special video program, such as an advert or commercial video program, is transmitted from a special video storage unit 41 of the video server to each subscriber terminal within a nontransmission time which takes place during a searching time for a video program requested by the subscriber and/or during an execution time of a specific reproduction control command, such as a "fast-forward" command or a "fast-rewind" command;

modifying the rendering of the preferred content and the available channel based upon the detected action. As Nishio teaches in their abstract, an advertisement is

transmitted in place of the preferred content, therefore the preferred content is "modified during rendering";

selecting targeted content to be played on the device on the available channel based on an automated algorithm that selects the targeted content to be played from a repository of targeted content, (abstract), i.e. a special video program, such as an advert or commercial video program, is transmitted from a special video storage unit 41 of the video server to each subscriber terminal within a nontransmission time which takes place during a searching time for a video program requested by the subscriber and/or during an execution time of a specific reproduction control command, such as a "fast-forward" command or a "fast-rewind" command, (pg. 22, lines 16-19), i.e. the video program selector 43 receives the response time and selects one of the special video programs that can be transmitted within the response time calculated by the response time calculator (automated algorithm); and

playing the selected content on the device on the available channel, (abstract), i.e. a special video program, such as an advert or commercial video program, is transmitted from a special video storage unit 41 of the video server to each subscriber terminal within a nontransmission time which takes place during a searching time for a video program requested by the subscriber and/or during an execution time of a specific reproduction control command, such as a "fast-forward" command or a "fast-rewind" command.

The examiner would like to further note that it is clear that the "special video program" of Nishio is displayed on the subscriber terminal while it is transmitted.

However, Nishio does not explicitly teach of a method of displaying the selected content and preferred content simultaneously. Pinera teaches the following:

playing the selected content on the device on the available channel simultaneously with the preferred content, (abstract), i.e. receive and simultaneously play the content of the local live performance and with superposed simultaneous infomercial material.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified the advertising method of Nishio with the superposing advertising method of Pinera. One of ordinary skill in the art would have been motivated to have made such modifications because both Nishio and Pinera are analogous art in the field of presenting advertisements during television broadcasts. Furthermore, Nishio's method simply describes a method of delivering advertising material and never limits themselves to the format 'n which those advertisements may be presented.

9. Regarding claim 2, modified Nishio teaches the method of claim 1 as described above. Nishio further teaches the following:

the selected content includes advertising content, (abstract), i.e. a special video program, such as an advert or commercial video program.

10. Regarding claim 4, modified Nishio teaches the method of claim 1 as described above. Nishio further teaches the following:

the detecting step includes determining when user preferred content is not being played by the device, (abstract), i.e. a special video program, such as an advert or commercial video program, is transmitted from a special video storage unit 41 of the video server to each subscriber terminal within a nontransmission time which takes place during a searching time for a video program requested by the subscriber and/or during an execution time of a specific reproduction control command, such as a "fast-forward" command or a "fast-rewind" command.

11. Regarding claim 5, modified Nishio teaches the method of claim 1 as described above. Nishio further teaches the following:

the detecting step includes determining one of an available channel and unused channel on the device, (abstract), i.e. in a video server used for a video-on-demand system, a special video program, such as an advert or commercial video program, is transmitted from a special video storage unit 41 of the video server to each subscriber terminal within a nontransmission time which takes place during a searching time for a video program requested by the subscriber.

The examiner interprets this teaching of Nishio to encompass applicant's claim in that the transmission channel from the video server to the subscriber terminal is determined to be unused.

12. Regarding claims 6, 34 and 59, modified Nishio teaches the method of claims 1, 29 and 54 as described above. Nishio further teaches the following:

the channel comprises one of an audio channel and a video channel of the device, (abstract), i.e. in a video server used for a video-on-demand system.

13. Regarding claims 7, 35 and 60, modified Nishio teaches the method of claims 1, 29 and 54 as described above. Nishio further teaches the following:

the selected targeted content comprises one of analog and digital content, (abstract), i.e. in a video server used for a video-on-demand system.

The examiner interprets this teaching of Nishio to encompass applicant's claim in that it's clearly understood by one of ordinary skill in the art that a video signal is either that of an analog or digital signal.

14. Regarding claims 9, 37 and 62, modified Nishio teaches the method of claims 1, 29 and 54 as described above. Nishio further teaches the following:

the detected action includes one of selection or initiation of a screen saver mode on the device, stopping playing of preferred content on the device, pausing playing of preferred content on the device, fast forwarding playing of preferred content on the device, rewinding playing of preferred content on the device, skipping of a commercial playing on the device, playing of a slide show on the device, muting playing of preferred content on the device, and entering a radio mode on the device, (abstract), i.e. a special video program, such as an advert or commercial video program, is transmitted from a special video storage unit 41 of the video server to each subscriber terminal within a nontransmission time which takes place during a searching time for a video program

requested by the subscriber and/or during an execution time of a specific reproduction control command, such as a "fast-forward" command or a "fast-rewind" command.

15. Regarding claims 10, 38 and 63, modified Nishio teaches the method of claims 1, 29 and 54 as described above. Nishio further teaches the following:

the selected content includes one of a video, a cartoon, an audio file, and a personal message, (abstract), i.e. a special video program, such as an advert or commercial video program, is transmitted from a special video storage unit 41 of the video server to each subscriber terminal within a nontransmission time which takes place during a searching time for a video program requested by the subscriber and/or during an execution time of a specific reproduction control command, such as a "fast-forward" command or a "fast-rewind" command.

16. Regarding claims 13, 41 and 66, modified Nishio teaches the method of claims 1 and 29 as described above. Nishio further teaches the following:

comprising playing the selected targeted content during a time period of at least one of before a broadcast, after a broadcast, during a break in a broadcast, during pausing of a broadcast, and during an intermission of a broadcast, (abstract), i.e. a special video program, such as an advert or commercial video program, is transmitted from a special video storage unit 41 of the video server to each subscriber terminal within a nontransmission time which takes place during a searching time for a video program requested by the subscriber and/or during an execution time of a specific

reproduction control command, such as a "fast-forward" command or a "fast-rewind" command.

17. Regarding claims 16, 44, 67 and 69, modified Nishio teaches the method of claims 1, 29 and 54 as described above. Nishio further teaches the following:

comprising transmitting a signal to the device for causing playing of the selected targeted content, (abstract), i.e. a special video program, such as an advert or commercial video program, is transmitted from a special video storage unit 41 of the video server to each subscriber terminal.

With respect to applicant's limitation of the device "rendering" the selected component, it would have been clear to one of ordinary skill in the art that the user terminal of Nishio would have a component to receive and display the transmission from the special video storage unit.

18. Regarding claims 30 and 55, modified Nishio teaches the method of claims 29 and 54 as described above. Nishio further teaches the following:

a repository coupled to the available channel monitoring device and configured to store the selected targeted content including advertising content, (pg. 21, 1st paragraph), i.e. as shown in Fig. 3, the special video storage unit 41 is coupled through the first interface unit 351 to the control signal processor 355.

19. Regarding claims 32 and 57, modified Nishio teaches the method of claims 29 and 54 as described above. Nishio further teaches the following:

the available channel monitoring device is further configured to determine when user preferred content is not being played by the content consumption device, (pg. 22, 2nd paragraph), i.e. the response time calculator 42 is operated in response to an indication sent from the control signal processor 355 and monitors utilization states of the resource.

20. Regarding claims 33 and 58, Nishio teaches the method of claims 29 and 54 as described above. Nishio further teaches the following:

the available channel monitoring device is further configured to determine one of an available channel and unused channel on the content consumption device, (abstract), i.e. a special video program, such as an advert or commercial video program, is transmitted from a special video storage unit 41 of the video server to each subscriber terminal within a nontransmission time.

21. Claims 3, 11, 12, 17-21, 24, 31, 39, 40, 45-49, 52, 56, 64, 65, 70-74 and 77 are rejected under 35 U.S.C. 103(a) as being unpatentable over Nishio in view of Pinera as applied to claims 1, 2, 29, 30, 54 and 55 above, in view of Bacso et al. (US 2002/0124182), hereinafter Bacso.

22. Regarding claims 3, 31 and 56, modified Nishio teaches the method of claims 2, 30 and 55 as described above. However, Nishio does not explicitly teach a method of providing a benefit to a user that plays the advertising content. Bacso teaches the following:

comprising providing a benefit to a user of the device in exchange for playing the advertising content, (pg. 7, paragraph [0129]), i.e. the selection of the content alternatives, the selection and attribution of characteristics to opportunities and content, the transmission mechanisms selected for the content and opportunities, and the methods used for matching the content and opportunities can be based on yield management methods, an example of which is optimal dynamic pricing.

It would have been obvious to one of ordinary skill in the art to have modified the advertisements of Nishio with the dynamic pricing of Bacso. One of ordinary skill in the art would have been motivated to have made such modifications because both Nishio and Bacso are analogous art in the field of presenting advertisements to television users. Furthermore, as Bacso describes in pg. 7, paragraph [0130] and [0131], dynamic pricing both benefits the user and encourages an advertisement to be viewed as end users would get the most up to date information up until the exploitation of the advertisement opportunity.

23. Regarding claims 11, 39 and 64, modified Nishio teaches the method of claims 1, 29 and 54 as described above. However, Nishio does not explicitly teach a method of

determining user preferences and targeting the content based on the user preferences.

Bacso teaches the following:

comprising determining a preference of a user of the device, and including at least one of a shopping preference, a show preference, a purchase history, a music preference, and a video preference, (pg. 2, paragraph [0041]), i.e. the matching process may have complex requirements including multi-service broadcaster requirements, multi-message content sequencing, and user preferences including ratings and permissions.

populating a targeted content repository based upon at least one of the user preference and the detected action, (pg. 5, paragraph [0084]), i.e. Fig. A4 shows a list of content and related characteristics. The content type 81 allows the receiver to determine if it is capable of showing the content. The examiner interprets a list of content which may be displayed under Bacso to encompass applicant's limitation.

It would have been obvious to one of ordinary skill in the art to have modified the user inputs of Nishio with the input logging of Bacso. One of ordinary skill in the art would have been motivated to have made such modifications because both Nishio and Bacso are analogous art in the field of presenting advertisements to television users. Furthermore, as Bacso teaches in pg.1, paragraphs [0008] – [0022], targeting advertising was already well known in the art.

24. Regarding claims 12, 40 and 65, modified Nishio teaches the method of claims 11, 39 and 66 as described above. Bacso further teaches the following:

comprising playing the selected targeted content based on the determined user preference, (pg. 2, paragraph [0041]), i.e. presentation methods in the receiver display the content based on protocol, format and opportunities created by function invocation by the user, physical and temporal content availability, and processes for matching the content to the opportunities.

25. Regarding claims 17, 45 and 70, modified Nishio teaches the method of claims 1, 29 and 54 as described above. However, Nishio does not explicitly teach a method of identifying the channel for playing the selected content. Bacso teaches the following:

comprising providing an identification of the channel for playing the selected targeted content by one of an owner, and deliverer of content to the device, (pg. 5, paragraph [0099]), i.e. the opportunity content list 86 shows the content that can be selected for display. This field is related to the content identifier 84 of Fig. A4, (pg. 6, paragraph [0100]), i.e. the opportunity context 87 determines when and where the content is to be displayed.

The examiner would like to further note that as Bacso shows in Fig. A5, an opportunity context may be that of an identification of a channel. Furthermore, as Bacso shows in Fig. 6, the opportunity list, which identifies the channel, is prepared by the deliverer of content.

26. Regarding claims 18, 46 and 71, modified Nishio teaches the method of claims 17, 45 and 70 as described above. Bacso further teaches the following:

comprising providing the identification in media used by the device, (pg. 3, paragraph [0064]), i.e. the CAS determines which content the user is allowed to access. The CAS comprises permission management 21 for control of authorizations on a per user or receiver basis, content management 22 for controlling access to content, and a message encryption 23 facility to secure the communication authorization and other messages for transmission. The CAS may also make use of a content encryption system 24 for protection of the content during transmission. Each receiver connected to the network system must also contain a component of the CAS 26 for communication with the operator's CAS and for local secure storage of permission and content access information.

27. Regarding claims 19, 47 and 72, modified Nishio teaches the method of claims 1, 45 and 70 as described above. Bacso further teaches the following:

the identification is included in a broadcast to the device, (pg. 24, paragraph [0410]), i.e. the MD present on the receiver will report targeting and presentation information based on triggers sent to it via a data carousel and/or other data transfer mechanisms.

Bacso further shows the identification being transferred to the end-user's device as may be seen in their showing of Fig. 6, where opportunity maps and profile targets are sent through the network.

28. Regarding claims 20, 48 and 73, modified Nishio teaches the method of claims 1, 29 and 54 as described above. Nishio further teaches the following:

not performing the step of playing the selected targeted content, (pg. 4, 2nd paragraph), i.e. the commercial video program is not watched by the subscribers;
However, Nishio does not explicitly teach a method of documenting user actions.

Bacso teaches the following:

generating a message documenting the detected action, (pg. 8, paragraph [0191]), i.e. the presentation method can also handle and manage user input to control the triggering of functional opportunities. The logging of results can include all inputs from the user.

It would have been obvious to one of ordinary skill in the art to have modified the user inputs of Nishio with the input logging of Bacso. One of ordinary skill in the art would have been motivated to have made such modifications because both Nishio and Bacso are analogous art in the field of presenting advertisements to television users. Furthermore, such input logging would allow (Bacso, pg. 8, paragraph [0191]), “these inputs can be processed within the receiver or at a network site to as part of the analysis of viewing habits”.

29. Regarding claims 21, 49 and 74, modified Nishio teaches the method of claims 20, 48 and 73 as described above. Nishio further teaches the following:

the detected action includes skipping of a commercial being played on the device, (pg. 4, 2nd paragraph), i.e. it is possible for each subscriber to skip or neglect

such an advertisement or commercial video program by the use of such a reproduction control command.

30. Regarding claim 24, 52 and 77, modified Nishio teaches the method of claims 1, 29 and 54 as described above. However, Nishio does not explicitly teach a method where the content has specific content characteristics. Bacso teaches the following:

Wherein the selected targeted content is at least one of segmented and labeled personalized advertisement content, and regional advertisement content, (pg. 5, paragraph [0085]), i.e. the content characteristics 83 describe the contents targeting attributes. The number and types of characteristics are dynamic, and can grow or change over time.

As may be seen in Bacso's showing of Fig. A4, one of the "content characteristics" listed is "Area" which specifies the geographic region in which the ad is to be displayed.

31. Claims 8, 14, 15, 22, 23, 25, 27, 28, 36, 42, 43, 50, 51, 53, 61, 68, 75, 76 and 78 are rejected under 35 U.S.C. 103(a) as being unpatentable over Nishio in view of Pinera as applied to claims 1, 29 and 54 above, and further in view of Tsuchida et al. (US 2002/0194592), hereinafter Tsuchida.

32. Regarding claims 8, 36 and 61, modified Nishio teaches the method of claims 1, 29 and 54 as described above. However, Nishio does not explicitly teach a method where the subscriber terminal is a video recorder. Tsuchida teaches the following:

the content consumption device comprises one of a personal video recorder device, and a DVD device, (pg. 4, paragraph [0043]), i.e. the storage unit can include a hard disk such as a digital or personal video recorder.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified the user terminal of Nishio with the PVR/DVR device of Tsuchida. One of ordinary skill in the art would have been motivated to have made such modifications because both Nishio and Tsuchida are analogous art in the field of selectively providing content via television broadcast. Furthermore, both arts address similar problems where Nishio addresses providing content during times of nontransmission of a video program (see pg. 2, 3rd paragraph) and Tsuchida addresses providing substitute content during breaks of a broadcast (see pg. 1, paragraph [0002]). The examiner would like to further note Tsuchida directly addresses substantially similar issues as applicant as can be seen in their teaching of pg. 1, paragraphs [0003] through [0007]).

33. Regarding claims 14, 42 and 68, modified Nishio teaches the method of claims 1, 29 and 54 as described above. However, Nishio does not explicitly discuss the inner workings of the user terminal. Tsuchida teaches the following:

comprising providing software code in the device for causing playing of the selected targeted content, (pg. 4, paragraph [0043]), i.e. the set top box 152 enables a viewer to select television programming content to view and then delivers the television programming content to the television set 154.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified the user terminal of Nishio with the set top box device of Tsuchida. One of ordinary skill would have been motivated to have made such modifications because as Nishio does not explicitly teach the devices utilized by the user terminal, it would have been obvious to have some form of device to display the transmission sent from the content server.

34. Regarding claims 15 and 43, modified Nishio teaches the method of claims 1 and 29 as described above. However, Nishio does not explicitly discuss the inner workings of the user terminal. Tsuchida teaches the following:

comprising providing software code in media used by the device for causing playing of the selected targeted content, (pg. 5, paragraph [0052]), i.e. the processor 310 executes instructions stored in memory 330a.

35. Regarding claims 22, 50 and 75, modified Nishio teaches the method of claims 1, 29 and 54 as described above. However, Nishio does not explicitly teach a method of detecting a timeout period of a sports event. Tsuchida teaches the following:

detecting of a timeout period during a sports event playing on the device, (pg. 2, paragraph [0027]), i.e. the break may be for example, a commercial in a live broadcast content, a commercial skip segment in a buffered live broadcast content, a broadcast stoppage, or a non-activity in a broadcast event; and

playing the targeted selected content during the timeout period, (pg. 2, paragraph [0027]), i.e. in response to the occurrence of a break in the broadcast content, the customer premise equipment can permit the display of substitute content.

The examiner would like to make further note of Tsuchida's teaching in pg. 8, paragraph [0085], where they anticipate that a broadcast event may be a sports broadcast.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified the "nontransmission" method of Nishio with the "non-activity period" method of Tsuchida. One of ordinary skill would have been motivated to have made such modifications because both teaching address a similar issue of providing content to a user during periods of time when a main broadcast content is not being shown.

36. Regarding claims 23, 51 and 76, modified Nishio teaches the method of claims 1, 29 and 54 as described above. However, Nishio does not explicitly teach a method of playing the content during an intermission of the broadcast. Tsuchida teaches the following:

detecting of an intermission period during a broadcast playing on the device, (pg. 2, paragraph [0027]), i.e. the break may be for example, a commercial in a live broadcast content, a commercial skip segment in a buffered live broadcast content, a broadcast stoppage, or a non-activity in a broadcast event; and

playing the selected targeted content during the intermission period, (pg. 2, paragraph [0027]), i.e. in response to the occurrence of a break in the broadcast content, the customer premise equipment can permit the display of substitute content.

37. Regarding claims 25, 53 and 78, modified Nishio teaches the method of claims 1, 29 and 54 as described above. However, Nishio does not explicitly teach a method of displaying both the selected content and preferred content. Tsuchida teaches the following:

playing the selected targeted content on the device on a portion of the available channel, (pg. 2, paragraph [0031]), i.e. the substitute content may be displayed as the main screen view, while the live or other programming content is displayed as a picture-in-picture on the television screen; and

playing preferred content on the device on a remaining portion of the available channel simultaneously with the selected targeted content, (pg. 2, paragraph [0031]), i.e. the substitute content may be displayed as the main screen view, while the live or other programming content is displayed as a picture-in-picture on the television screen.

38. Regarding claim 27, modified Nishio teaches the method of claim 26 as described above. However, Nishio does not explicitly discuss the inner workings of the user terminal. Tsuchida teaches the following:

the means for detecting, the means for selecting, and the means for playing comprise devices of a computer system, (pg. 4, paragraph [0051]), i.e. Fig. 3 illustrates a block diagram of a representative set top box.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified the user terminal of Nishio with the set top box device of Tsuchida. One of ordinary skill would have been motivated to have made such modifications because as Nishio does not explicitly teach the devices utilized by the user terminal, it would have been obvious to have some form of device to display the transmission sent from the content server.

39. Regarding claim 28, modified Nishio teaches the method of claim 26 as described above. However, Nishio does not explicitly discuss the inner workings of the user terminal. Tsuchida teaches the following:

the means for detecting, the means for selecting, and the means for playing comprise computer-readable instructions stored on a computer-readable medium, (pg. 5, paragraph [0052]), i.e. the processor 310 executes instructions stored in memory 330a.

Response to Arguments

40. Applicant's arguments filed 8/5/2008 have been fully considered but they are not persuasive. Applicant's arguments shall be addressed in the order in which they were presented.

41. Applicant first argues on pages 17-19 of their amendment that claims 26-28 recite a system in proper means plus-function format.

The examiner respectfully disagrees.

While applicant cites several locations within their specification which give examples of tangible statutory systems, the examiner contends that one of ordinary skill in the art may interpret the system of claims 26-28 to be that of a system of software. Support for this interpretation may be found in applicant's specification on page 11, paragraph [0038], where applicant states that "software" is used to implement their invention. While this citing of applicant's specification does state several tangible systems to execute such software, claims 26-28 contain no such limitation, and under the broadest reasonable interpretation of the claims, the system may be interpreted to be that of the software itself. Claims directed to simply computer software per se are nonfunctional descriptive material as discussed in MPEP 2106.1 as follows:

**I. FUNCTIONAL DESCRIPTIVE MATERIAL: "DATA STRUCTURES"
REPRESENTING DESCRIPTIVE MATERIAL *PER SE* OR COMPUTER
PROGRAMS REPRESENTING COMPUTER LISTINGS *PER SE***

Data structures not claimed as embodied in computer-readable media are descriptive material *per se* and are not statutory because they are not capable of causing functional change in the computer. See, e.g., *Warmerdam*, 33 F.3d at 1361, 31 USPQ2d at 1760 (claim to a data structure *per se* held nonstatutory). Such claimed data structures do not define any structural and functional interrelationships between the data structure and other claimed aspects of the invention which permit the data structure's functionality to be realized. In contrast, a claimed computer-readable medium encoded with a data structure defines structural and functional interrelationships between the data structure and the computer software and hardware components which permit the data structure's functionality to be realized, and is thus statutory.

Similarly, computer programs claimed as computer listings *per se*, i.e., the descriptions or expressions of the programs, are not physical "things." They are neither computer components nor statutory processes, as they are not "acts" being performed. Such claimed computer programs do not define any structural and functional interrelationships between the computer program and other claimed elements of a computer which permit the computer program's functionality to be realized. In contrast, a claimed computer-readable medium encoded with a computer program is a computer element which defines structural and functional interrelationships between the computer program and the rest of the computer which permit the computer program's functionality to be realized, and is thus statutory. See *Lowry*, 32 F.3d at 1583-84, 32 USPQ2d at 1035. Accordingly, it is important to distinguish claims that define descriptive material *per se* from claims that define statutory inventions.

42. Applicant next argues on pages 19-22 of their amendment that claims 54-60 and 62-78 recites a device and is directed to statutory subject matter.

The examiner again respectfully disagrees.

While applicant cites several locations within their specification which give examples of tangible statutory systems, these are in fact, examples. Claims 54-60 and 62-78 contain no language which limits the claims to these tangible devices. As applicant states in page 11, paragraph [0038], there invention utilizes software, which may lead one of ordinary skill in the art to interpret the claims directed to a "content consumption device" to be simply computer software *per se*.

43. Applicant next argues on pages 23-24 that Nishio does not disclose or suggest modifying the rendering of the preferred content and the available channel based upon the detected action.

The examiner respectfully disagrees.

As Nishio teaches in their abstract, a special video program is displayed in place of the preferred content in response to a detected action. This is interpreted to be “modifying the rendering of the preferred content”. Furthermore, with respect to modifying based upon the detected action, Nishio teaches in page 22, lines 16-19, that the special video program is selected based upon a response time calculated based upon the detected action, therefore, the modification is based upon the detected action.

44. Applicant's arguments with respect to claim 1 regarding “playing the selectected targeted content on the device on the available channel simultaneously with the preferred content” have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

45. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

-Sharir et al. (US 5,903,317), apparatus and method for detecting, identifying and incorporating advertisements in a video.

-Lawler et al. (US 5,907,323), interactive program summary panel.

- Zigmond et al. (US 6,698,020), techniques for intelligent video ad insertion.
- Servan-Schreiber et al. (US 6,892,354), method of advertising on line during a communication link idle time.
- Flickinger et al. (US 7,152,237), delivering targeted advertisements to the set-top-box.
- Cohn et al. (US 2001/0044846), system and method for distributing data over a communications network.
- Klug et al. (US 2004/0010546), method for providing node targeted content in an addressable network.
- Criddle et al. (US 2006/0004630), advertising through digital watermarks.

46. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

47. Any inquiry concerning this communication or earlier communications from the examiner should be directed to GREGORY A. DISTEFANO whose telephone number is (571)270-1644. The examiner can normally be reached on Monday through Friday, 9 a.m. - 5 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Doug Hutton can be reached on 571-272-4137. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/GREGORY A DISTEFANO/
Examiner, Art Unit 2176
10/20/2008

/Rachna S Desai/
Primary Examiner, Art Unit 2176